

SUPPLEMENTAL

COUNCIL AGENDA: 09-14-04

ITEM: 2.1

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Carl W. Mosher

SUBJECT: SOUTH BAY WATER RECYCLING **DATE:** 09-01-04
- SAN FERNANDO PIPELINE

Approved

Date

9-2-04

Council District: 3
SNI: University

REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

RECOMMENDATION

Report on bids and award of contract for the South Bay Water Recycling (SBWR) – San Fernando Pipeline Project to the low bidder, Pacific Underground Construction, Inc., for the base bid in the amount of \$1,056,450, and approval of a contingency in the amount of \$158,000. CEQA: Resolution No. 64667, PP03-11-350.

BACKGROUND

The San Fernando Pipeline project, an extension of the SBWR Program's pipeline network in the urban core area, will deliver recycled water from the San José/Santa Clara Water Pollution Control Plant to the Dr. Martin Luther King, Jr. Library, the new City Hall, San José State University and the Fifth Street/Civic Plaza Streetscape.

This project will install approximately 3,100 feet of pressure pipe, 8-inch to 12-inch in diameter, complete with control valves, corrosion protection and other appurtenances. The project is located along San Fernando Street between Twelfth and Fifth Streets, and along Sixth Street between San Fernando and Santa Clara Streets (map attached).

Construction is scheduled to begin in November 2004 with completion in January 2005.

ANALYSIS

Bids were opened on August 26, 2004 with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Total Cost of Add Alternates</u>	<u>Total Bid</u>	<u>Variance Amount*</u>	<u>Over/(Under) Percent</u>
Lewis & Tibbitts, Inc. Fremont, CA	\$1,664,738	\$129,200	\$1,793,938	\$87,358	5.5
Engineer's Estimate	1,577,380	70,000	1,647,380	-----	-----
K J Woods Construction San Francisco, CA	1,544,000	44,000	1,588,000	(33,380)	(2.1)
West Valley Construction San José, CA	1,473,498	176,500	1,649,998	(103,882)	(6.6)
MJB Pipeline Mt. Eden, CA	1,469,611	95,000	1,564,611	(107,769)	(6.8)
McGuire & Hester Oakland, CA	1,289,230	62,000	1,351,230	(288,150)	(18.3)
Pacific Underground Const. San José, CA	1,056,450	124,315	1,180,765	(520,930)	(33.0)

* Variance amount is based on the Base Bid only.

The project's base bid item comprises the construction of the proposed recycled pipeline along San Fernando and Sixth Streets.

Three add alternates, if implemented, would include a fiber optic conduit system alongside the proposed recycled water pipeline. The Department of Information Technology (IT) has decided not to proceed with any of the three add alternates.

The low bid, for both the base bid and the total bid cost (including the add alternates), was submitted by Pacific Underground Construction. The bid submitted by Pacific Underground Construction is 33 percent below the Engineer's Estimate. An evaluation of the bid indicates lower unit costs for pipeline appurtenance than estimated by the City's design consultant. In addition, an addendum issued for this project significantly reduced the unit costs of the pipeline materials. The bid is considered acceptable for the work involved in the project.

Council policy provides for a standard contingency of ten percent on public works projects involving underground utilities. However, because of the complex nature of this project and the likelihood of utility conflicts in the downtown area, a contingency in the amount \$158,000 (15 percent of the base bid) is requested for any unforeseen conditions that may arise during

construction. The fund budgeted for this project is sufficient to provide for the recommended contingency.

PUBLIC OUTREACH

This project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all public works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, Information Technology, Finance, and the San José Redevelopment Agency. This project is scheduled for approval by the Treatment Plant Advisory Committee at its meeting of September 9, 2004.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,056,450

2. COST OF PROJECT:

Project Delivery	\$170,000*
Construction	1,056,450
Consultant Services	267,000
Contingency	158,000
Total	<u>\$1,651,450</u>

* \$41,414.56 of the Project Delivery Costs was expended in the prior fiscal year

3. SOURCE OF FUNDING: 512 – San José – Santa Clara Treatment Plant Capital Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

HONORABLE MAYOR AND CITY COUNCIL

09-01-04

Subject: South Bay Water Recycling – San Fernando Pipeline Project

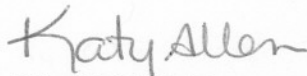
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BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC	Total Appn.	Amount for Contract	2004-2005 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
512	6589	Revised South Bay Action Plan – SBWR Extension	131735	\$30,908,000	\$1,056,450	Page 229	N/A

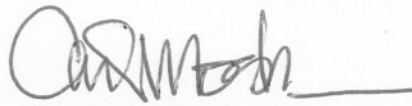
CEQA

Resolution No. 64667, PP03-11-350.



KATY ALLEN

Director, Public Works Department



CARL W. MOSHER

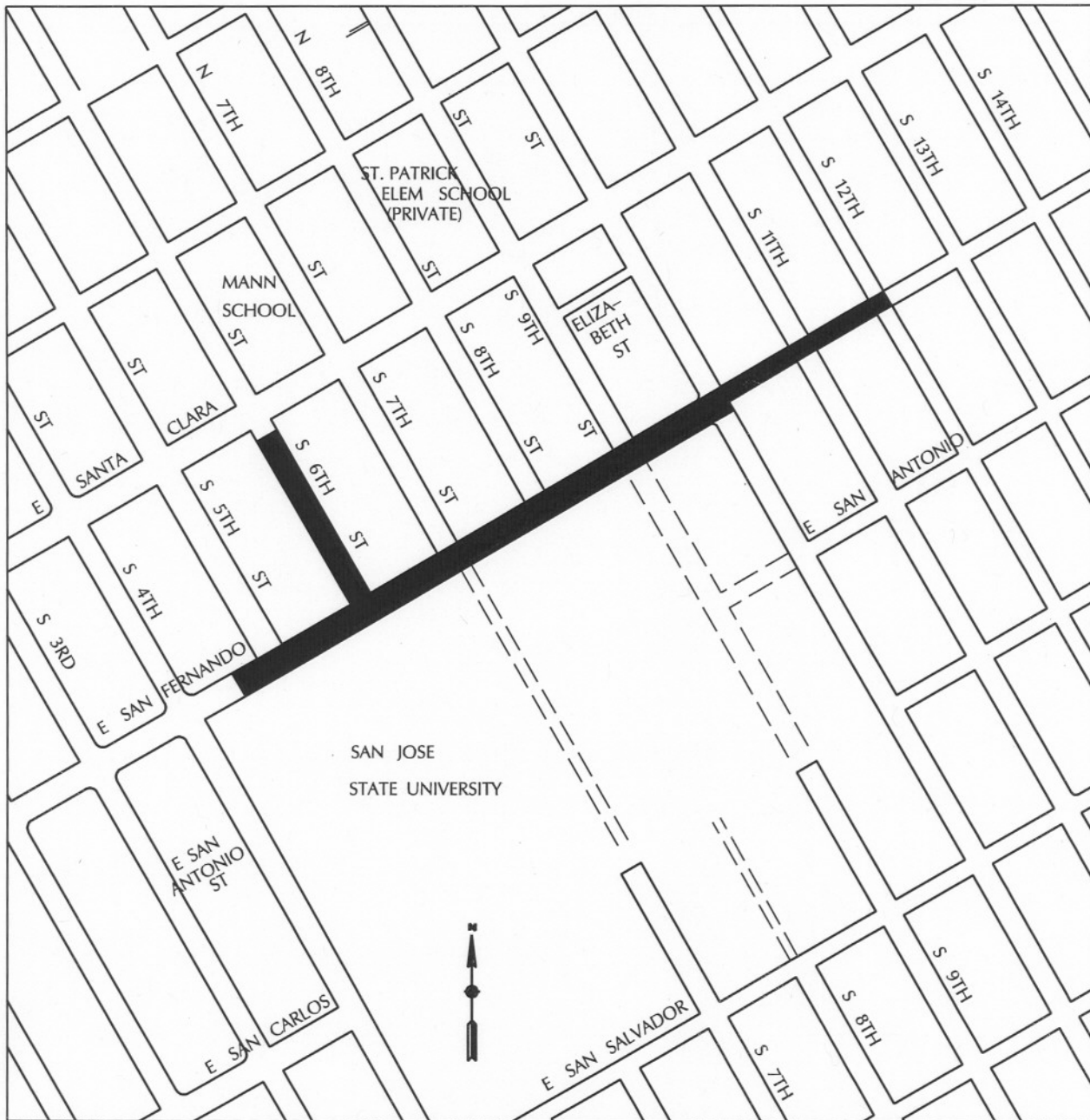
Director, Environmental Services
Department

MO:CM:DM:jv

Attachment

dm083004CM. SBWR San Fernando Pipeline supp.doc/STORM

SBWR – SJ10 NCC RECYCLED WATER MAIN



MAP 83

LOCATION MAP
N.T.S.